



STRATEGIC PLANNING RESOURCE GUIDE

Introduction/Overview

Background

By the mid-1990's, Maricopa County had achieved solid success in managing its budget and finances and began to realize the fruits of its efforts. The public's confidence in Maricopa County's fiscal management was affirmed in 1998 by the overwhelming vote to approve a new sales tax for jail and juvenile detention facilities, and the County's bond ratings were upgraded as well. Resources were available to invest in improved County services, but additional accountability was needed to ensure that these resources were used efficiently and effectively.

In 1998, after a review of "best practices" in the field of performance measurement and performance-based budgeting, the Office of Management and Budget (OMB) began to develop a proposal for strategic budgeting, in which strategic planning, budgeting and performance measurement would be aligned in a unified process. These initial concepts came together in the Resource Accountability Project (RAP). A RAP steering committee was organized, and six pilot departments attempted to develop strategic plans with fully aligned performance measures. These initial efforts generated significant momentum and taught valuable lessons – positioning the County to move forward.

In 2000 the County sought to broaden the RAP to include all departments. An outside firm, Weidner Consulting, was retained by the Office of Management and Budget to assist in this effort by reviewing Maricopa County's progress to date, recommending improvements, and assisting in implementation. Based in part on the consultants' recommendations, the Resource Accountability Project evolved into "Managing for Results" – a fully integrated management system focused on results for Maricopa County's citizens.

In the summer and fall of 2000, Maricopa County began to implement Managing for Results (MfR) by developing departmental strategic plans that integrated planning with budgeting and performance measurement. This effort created powerful tools for making good business decisions and achieving department and corporate goals and priorities. An important milestone was the adoption of the *Managing for Results Policy* (Appendix D) by the Maricopa County Board of Supervisors in September 2000. The policy confirmed the Board's support for Managing for Results by making it clear that participation would be a requirement for future funding.

Departments were provided with a *Strategic Planning Resource Guide*, along with extensive staff training that equipped them with the resources and tools needed to develop high quality strategic plans that managers could use to help them manage



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their resources. The *Strategic Planning Resource Guide* provided information and timelines for the County's move toward performance-based budgeting and the integration of results-oriented performance information in every individual employee's performance plan and subsequent evaluations.

By February 2001, most departments had completed their strategic planning documents. Each department's plan was reviewed and accepted by a corporate-level review team. The corporate review team highlighted a broad scope of issues facing all lines of business in Maricopa County. The Maricopa County Board of Supervisors' planning process began with a review of those issues. The Board's discussion included whether or not these issues would impact the established budget priorities. The Board's planning process culminated in the adoption of a new mission statement and a set of corporate strategic priorities on February 21, 2001:

Maricopa County Mission Statement:

The mission of Maricopa County is to provide regional leadership and fiscally responsible, necessary public services to its residents so they can enjoy living in healthy and safe communities.

Strategic Priorities:

- Provide regional leadership in critical public policy areas in a fiscally responsible manner.
- Minimize the burden on the property taxpayer through rate reductions.
- Healthy community and solvent healthcare system.
- Safe community through a streamlined, integrated criminal justice system.
- Provide regional leadership for a regional transportation system.
- Land use will be planned, managed and funded responsibly; Luke AFB will be preserved.
- Maricopa County will continue to improve its positive public image based on results achieved.

Managing for Results was front and center in the Fiscal Year 2001-02 budgeting process. Departmental funding requests were evaluated by the Office of Management and Budget based on the Board of Supervisors' strategic direction and budget goals, and focused on ensuring that requests aligned with departments' strategic plans. The financial cost accounting system was enhanced to parallel the Programs, Activities, and Services (PAS) delineated within each department strategic plan and became operational July 1, 2001.



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On a quarterly basis beginning in the fall of 2001, departments have reported performance measurement data and provided commentary on their progress. During the Fiscal Year 2002-03 budget preparation process, departments allocated the Recommended budget by Programs and Activities defined within their departmental strategic plans, setting the stage for budgeting for results in FY 2003-04.

The Government Performance Project (GPP) is a national project conducted by the Maxwell School of Citizenship and Public Affairs at Syracuse University in partnership with *Governing* magazine. The study collects, evaluates, and compares information about how well governmental jurisdictions are managed in five key areas: financial management, human resources, information technology, capital management, and managing for results.

Since the time of the project's initiation in 1996, four studies have been conducted at the county, state, and city level. In 2001 Maricopa County was selected as one of the 40 leading counties to participate in the project. The comparative results of the study were published in a special issue of *Governing* in February 2002. Maricopa County was identified as one of the best-run counties in the country and was one of only two counties in the nation to receive the highest overall scores of "A-".

Why Are We Doing This?

Strategic plans are developed to support good management practice by:

- Providing the right information to make good decisions;
- Aligning every employee to organizational success; and
- Compiling and reporting information needed to tell customers what they are getting for their investment (taxes).

The Managing for Results management system is designed to allow employees in Maricopa County to make the following three statements:

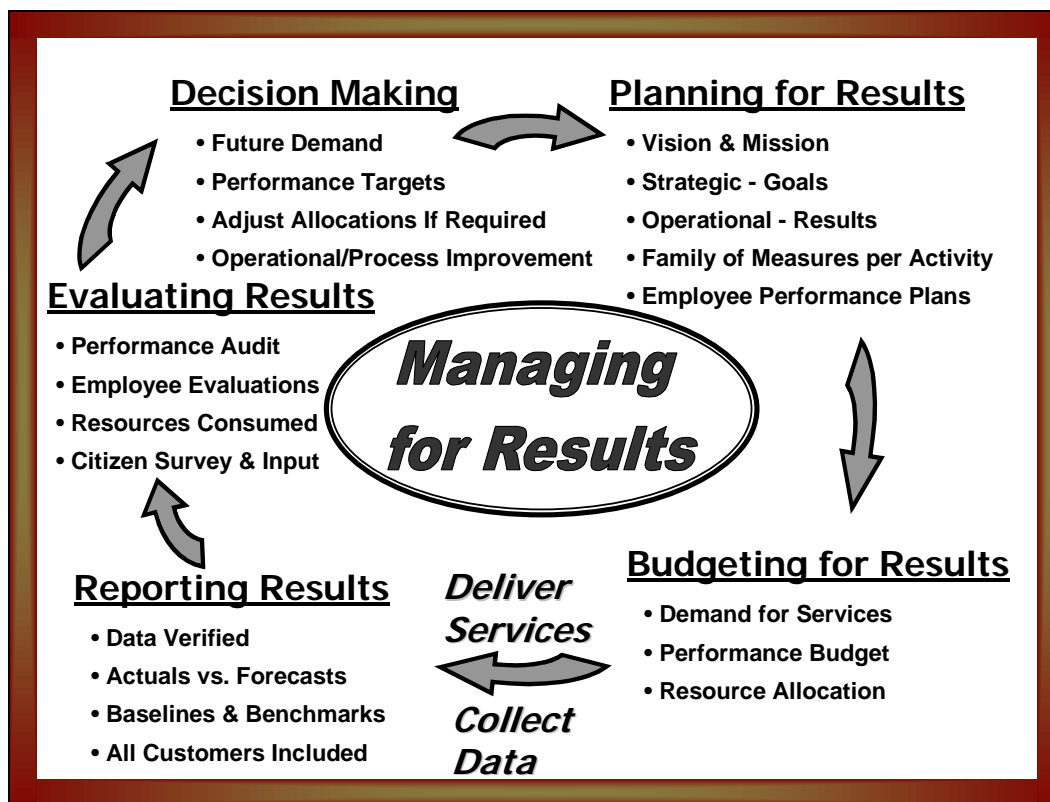
1. *What we are doing today contributes to our strategic direction.* (Every department has a strategic plan linked to their operational plan and every employee's performance plan.)
2. *We know what we have done has been effective.* (Performance measures are identified and managed for every activity demonstrating the results produced.)
3. *We know how much it costs to deliver our programs efficiently.* (All human and financial resources are tied to the services delivered and we can tell how much they cost and how efficiently services are delivered.)



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Managing for Results System

Maricopa County's Managing for Results initiative provides the foundation for a highly integrated management system focused on results for customers. This on-going and cyclical system is depicted below:



Through the Managing for Results system, Maricopa County has engaged in substantive planning and performance measurement. This comprehensive planning methodology supports the:

- Systematic creation of strategic goals that link to programs;
- Use of measures to track performance, support operational improvement, and inform resource allocation decisions; and
- Communication of goals and progress to both employees and the public.



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Planning for Results

A well-executed strategic plan promotes a common understanding of the department's/ agency's overall direction and purpose so that individual employees can readily determine how their work, actions and behaviors support the strategic direction and business success. In Planning for Results, current and future trends are examined in terms of how they may affect the business. Strategic goals and operational results are developed to best manage these anticipated challenges. Results are projected based on demand and internal capacity.

Each departmental strategic plan includes these key strategic elements:

- Environmental Assessment
- Issue Statements
- Mission Statement
- Strategic Goals

Operationally, departmental strategic plans organize how the department will deliver results into three levels:

- Services
- Activities
- Programs

Services describe the deliverables that the customer receives and, as such, are quantifiable. An Activity represents one or more Services with a single summarized or representative output directly related to a common purpose or result. A set of Activities that have a common purpose or result are then grouped into Programs. Programs provide operational and performance information for strategic decision-making.

Defining levels of operation in this manner makes it possible to demonstrate how each level contributes to results at the next higher level, creating an aligned organization.

The table on the following page depicts this alignment strategy:



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ALIGNMENT BY ACTIVITY	
Strategic Plan Element	Result
Maricopa County Vision	
Maricopa County Mission	
Department Vision (optional)	
Department Mission	
Department Strategic Goals	
Program	
Program Purpose Statement	
Key Result(s)	
Activity	
Activity Purpose Statement	
Services that comprise the Activity	
Activity Performance Measures	Result: Output: Demand: Efficiency:
Responsible Employee	

Activities and Programs have a Purpose Statement that readily identifies the customer and the intended results for that customer. Managers are thereby able to make day-to-day decisions about resource allocation and service improvements in ways that align with the next higher level of results and ultimately ensuring alignment with the department's mission and goals.

Budgeting for Results

Maricopa County is committed to developing a budget system that provides financial and performance information to help decision-makers make good, informed business decisions that achieve results. The County uses the operational structure developed in the strategic plan to structure financial planning and reporting for each department/agency. This ensures that the budget is driven by policy and customers' needs. Integrating Budgeting for Results with strategic planning is critical in creating an integrated management system where financial resources, policy, department operations, and County staff are all aligned to achieve results.

Based on the Board of Supervisors' strategic direction and budget goals, the Office of Management and Budget evaluates departmental funding requests and ensures that requests align with departments' own strategic plans.



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Budgeting for Results is linked to and informed by performance measurements. Budgets are developed to provide resources to achieve desired levels of output to meet anticipated service demand. The expected output is directed to achieve desired measurable results.

Delivering Services & Collecting Data

Based on available resources established through the budgeting process, departments then deliver services and collect data about their performance. The financial cost accounting system parallels the Programs, Activities and Services (PAS) delineated within each department's strategic plan. This allows departments to collect expenditure and revenue data associated with their Services, Activities and Programs.

Along with collection of financial information, or inputs, departments also collect non-financial performance data related to demand, output, and results. Input data, or cost, is combined with output data to measure efficiency.

Reporting Results

Maricopa County is accountable to its residents by communicating what it does or does not achieve. The strategic plans, and the performance measures included within the plans, provide information about results that are meaningful to both employees and the public.

During the planning process, departments develop a family of performance measures for each Activity. Each Activity includes at least one of each of the following performance measurements:

- Result:** The impact or benefit customers receive from the Activity; expressed as a percentage or rate.
- Output:** The number of units of service delivered or products produced for the customer; expressed as a number.
- Demand:** The number of units of service or product demanded or needed by the customer; expressed as a number.
- Efficiency:** The average Activity cost per Output or Result; expressed as a dollar cost or man-hours expended.

Countywide, on a quarterly basis, departments report performance data via the Managing for Results database. This strategy provides an efficient and timely vehicle to ensure that data is complete or to identify incomplete reporting.

In addition to specialized performance data created by individual departments, the Administrative Services Program provides standardized performance data on a variety



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of internal administrative and support services. This comprehensive, standardized Program is included within each departmental plan and ensures consistent data collection, measurement, and reporting of key administrative functions, including human resources, risk management, budgeting, financial services, procurement, and the office of the director/elected official Activities.

Through the quarterly web-based reporting, performance data can be viewed on an individual department basis and can be consolidated to obtain Countywide results, outputs, demands and efficiencies. Individual departments may also use the data to benchmark their results against other County departments and agencies.

Evaluating Results

The integrity of the Managing for Results process and the information produced by the planning and budgeting systems are critical to the County's efforts in Managing for Results and in sustaining public support. Maricopa County is committed to a management system founded on accurate information.

Departments evaluate results, then external evaluators, such as the Maricopa County Internal Audit Department have established specific procedures to ensure that departments' performance information is sufficiently complete, accurate, valid and consistent. Performance audits provide assurance that reported data can be relied upon for decision-making purposes.

In addition, taxpayers and other organizations are interested in determining the effectiveness of results produced by governments. As mentioned earlier in this guide, the Government Performance Project (GPP), a national project conducted by the Maxwell School of Citizenship and Public Affairs at Syracuse University in partnership with *Governing* magazine collected, evaluated, and compared information about how well governmental jurisdictions are managed in five key areas: financial management, human resources, information technology, capital management, and managing for results.

The specific criteria evaluated within the managing for results section of the study included:

- Does the government engage in results-oriented strategic planning in which strategic objectives are identified and provide a clear purpose; government leadership effectively communicates objectives to employees; government plans are responsive to input from citizens and other stakeholders including employees; agency plans are coordinated with central government plans?



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- Does the government develop indicators and evaluative data that can measure progress toward results and accomplishments and does it take steps to ensure that these data are valid and accurate?
- Do leaders and managers use results data for policymaking, budgeting, management and evaluation of progress?
- Are there organizations within the government whose responsibility it is to evaluate programs or agencies, and are their conclusions utilized?
- Does government communicate the results of its activities to stakeholders?

Based on the criteria, Maricopa County was one of only two counties in the nation to receive the highest overall score of “A-“ in the Managing for Results area.

One of the most powerful tools available to high-performing organizations is the employee performance management system. Maricopa County uses this system to make it possible for employees to see how they contribute at the operational, departmental and corporate levels. Performance measures are used to develop the performance standards for individual employees as depicted in the Employee Performance Results Planning & Alignment Worksheet sample shown on the next page.



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Employee Performance Results Planning & Alignment Worksheet			
Name:		Employee ID:	
Date:		Period Covered:	
Department: Office of Management & Budget		Department Mission:	
The mission of the Office of Management and Budget is to provide organizational and strategic leadership and consultation for the Board of Supervisors so that they can make well-informed policy and budgetary decisions.			
Department Strategic Goals Related to Position			
<ul style="list-style-type: none"> Maintain County expenditures within the constitutional limits set by the voters in 1998 through FY 2004 100% of County departments/agencies will be actively Managing for Results by CY 2002 		<ul style="list-style-type: none"> Management will use results-based performance information to make program and policy decisions by FY 2002 The entire County will be fully engaged in Budgeting for Results by FY 2003 	
Program and Purpose			
MULTI-YEAR PLANNING PROGRAM -- The purpose of this program is to provide forecasting and strategic planning services to the Board of Supervisors so they can set policy and make strategic decisions.			
Activity, Purpose & Related Measures	Individual Performance Purpose Statement	Individual Results Goals/ Expectations (Measures & Targets)	Evaluation Review Comments
<p><u>STRATEGIC PLANNING:</u> The purpose of this activity is to provide planning services, tools and reviews to County departments, agencies and the Board of Supervisors so that they develop strategic plans that are aligned with the County strategic plan and with the Board of Supervisors' priorities.</p> <ul style="list-style-type: none"> Result: % of strategic plans accepted through corporate review 	<p>_____’s role in the Strategic Planning Activity is to provide the following services so that the strategic plans of assigned departments are aligned with the County strategic plan and with the Boards’ priorities:</p> <ul style="list-style-type: none"> Facilitated sessions Planning consultations Planning tools Planning reviews 	<ul style="list-style-type: none"> Contributes to 100% of assigned departments having successfully submitted amended/ updated strategic plans. Demonstrates awareness of assigned agencies’ families of measures in order to analyze how they compare with actual measures. Utilizes MfR and strategic plans as the basis for making recommendations. 	

Contributions to the achievement of departmental strategic goals and performance measures are the cornerstone of Maricopa County’s employee performance management and evaluation system. The Managing for Results process strengthens the alignment from the County’s strategic priorities through the department’s strategic goals. This alignment, in turn, directly links to the performance expectations of each employee. Employee performance ratings are based on the employee’s contributions to the department’s performance results. Maricopa County Policy and Procedure A1802 *Performance Management Process* is included as Appendix E.



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Decision Making

Based on the validated performance information gathered, decisions can be made more logically and rationally. Having supportable data allows the County to make decisions about resource allocation adjustments based on changes in demand or service delivery. If performance targets are not met, the County has information it needs to decide if those targets were set appropriately or if there is a need for operation or process improvements. We must plan ahead to make the best business decisions possible concerning future uses of all of our limited resources. Good decisions produce results that make a difference in people's lives and give taxpayers value for their money. In order to make the best business decisions, citizens and county government need the highest quality performance measure available.

Conclusion

Maricopa County's *Strategic Planning Resource Guide* provides a standardized methodology for all departments and agencies to use in developing performance information that is clear and consistent for decision-makers and the public. Department strategic plans provide the essential information for making policy and budget decisions that produce a high return on taxpayer dollars.